

## FROM THE COMMISSIONER



As you will note in this Newsletter, not only has the Department's name changed, but so has the format of our Newsletter. Back in 1988 we realized a need existed to communicate with North Dakota state-chartered financial institutions so that they could be aware of upcoming legislative matters, new laws, concerns, and happenings at the Department. Although we have not had a Newsletter for quite some time, we are going to renew our effort and hope to communicate on a more frequent basis with not only the financial institutions, but all the consumer industries the Department regulates.

There have been a lot of changes this past year at the Department concerning legislation, Department responsibilities, and new employees. In this Newsletter we will try to introduce you to some of the new employees and inform you of the new things that are happening at the Department. I would personally like to thank all of you for your support after I was named Commissioner by Governor Hoeven on July 12, 2001. I have received many calls of support from the industries that the Department regulates, and I hope that we can continue to work together for both the benefit of your industries and the Department.



## NEW NAME...

*...for "Department of Banking and Financial Institutions"*

The Department of Banking and Financial Institutions has changed its name to "The Department of Financial Institutions" [DFI]. Legislation was passed this session, and became effective August 1, 2001. The name of "The Department of Banking and Financial Institutions" was changed to the "Department of Financial Institutions" by amending all state statute references to the Department's name.

The department found that oftentimes citizens and businesses had some confusion between the Department of Banking and Financial Institutions, a state regulatory agency and the state-owned bank, the Bank of North Dakota. In reviewing the matter it was determined that the statutory definition of "financial institutions" already included banks, and therefore to include the word banking in the title was somewhat redundant. It was found that several

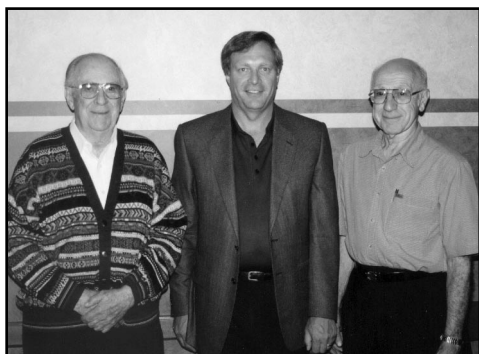
other states commonly use the title "Department of Financial Institutions." The department has regulatory authority over various types of financial institutions including, banks, credit unions, savings and loan companies, money brokers, collection agencies, consumer finance companies and deferred presentment service providers (payday lenders). Also in an attempt to better market the department to potential employees through state colleges and job fairs, a logo was developed that could be used to familiarize citizens of the state of North Dakota with the department. This is the third time the name of the department has changed. Prior to the name "The Department of Banking and Financial Institutions" which was adopted in 1969, the Department was known as the State Examiner.

## **ENTRINGER NAMED ASSISTANT COMMISSIONER**

On July 27, 2001, Commissioner Timothy Karsky announced that Robert J. Entringer has been appointed Assistant Commissioner for the Department of Financial Institutions. Prior to being named Assistant Commissioner, Bob was the Department's Chief Examiner - Banks from March 1989 to July 2001; Bob was promoted to Chief Examiner after serving the Department for over six years as a Financial Institutions Examiner. He was employed with a local state bank from 1984 to 1987. Commissioner Karsky said he is very pleased to have Bob accept this position, as his past examiner and supervisory experience will benefit the Department and the industries the Department regulates. Bob has had an excellent working relationship with the state banking industry and this will continue in the future. The Assistant Commissioner also serves as Secretary to the State Banking and Credit Union Boards.

Bob is a 1994 graduate of the Graduate School of Banking at Colorado, and has attended numerous FDIC and Conference of State Bank Supervisors (CSBS) technical examiner training programs. Bob is also a current instructor for the Dakota School of Banking. Bob and his wife, Val, have two children and live in Bismarck.

## **BEST WISHES TO COMMISSIONER GARY PRESZLER**



The Department held a going away dinner for outgoing Commissioner Gary Preszler, whose term was completed June 30, 2001. Former

Commissioner Gilbert Ellwein and former Assistant Commissioner Robert Keim, who were Commissioner and Assistant at the time Gary was hired, joined the current staff in wishing Commissioner Preszler a fond farewell. Gary served at the Department of Banking and Financial Institutions for twenty-five years. He began employment with the Department as a Financial Institutions Examiner in 1976. He was promoted to Chief Examiner in 1982, and appointed Commissioner in 1986 by Governor Sinner.

Gary served as Commissioner for a partial term and three full terms under two Governors. During that time he obtained accreditation for the Department through the Conference of State Bank Supervisors (CSBS) and the National Association of State Credit Union Supervisors (NASCUS) as well as chaired the Certification Committee that developed the CSBS Examiner Certification Program. Gary also converted the Department from a general fund agency to a special fund agency in 1989, thereby allowing the Department to become a fully self-supporting agency.

Gary has been appointed by the Board of University and School Lands as Commissioner of the State Land Department. We thank him for the many years of loyal and dedicated service to the Department of Financial Institutions and wish him well in his new position.

## **STATE BANKING & CREDIT UNION BOARD MEETINGS**

The Boards meet on a regular basis with the Banking Board meeting every other month starting in January and the Credit Union Board meeting quarterly starting in March to oversee the activities of the state chartered institutions in North Dakota. The Boards will hold special meetings on occasion to accommodate emergency situations. The Department has received numerous requests throughout this year to hold special meetings to approve applications. The Department and the Boards remind the various prospective applicants to be cognizant of the meeting dates so that they can time their applications to these scheduled meetings. Minutes of recent Board meetings can be reviewed at the Department's web site, [DiscoverND.com/dfi](http://DiscoverND.com/dfi), as well as the agendas for the upcoming meetings. If you have any questions concerning the upcoming meetings or applications, please feel free to contact any member of the Department staff.

### **ND RULES AND REGULATIONS...**

...located on our web site

🖱 **[DiscoverND.com/dfi](http://DiscoverND.com/dfi)**

🖱 **[Rules and Regulations](#)**

## **BILL DANIEL APPOINTED TO STATE BANKING BOARD**

Bill Daniel, a real estate broker/businessman in Bismarck has been appointed to the State Banking Board by Governor Hoeven. Mr. Daniel will fill the public-at-large position vacated by Vonnie Eckroth earlier this year. Mr. Daniel's keen business background and knowledge of the North Dakota economy will be a valuable asset to the Board. The Department of Financial Institutions welcomes Bill to the State Banking Board.

## **TASK FORCE TO BE FORMED**

The Department will be forming a Task Force to review North Dakota Century Code Section 6-03-59, entitled Loan Limitation to One Borrower or Concern. In recent years the Department has spent a considerable amount of time reviewing questions from North Dakota state-chartered banks regarding their legal lending limits and the combining of loans with one entity to an individual's borrowing limitation. The Task Force would also review the North Dakota Administrative Code Section 13-02-09, which sets forth the regulations for loan limitations to one borrower or concern. The Department has had a considerable amount of discussion with North Dakota state-chartered banks concerning whether or not people are engaged in a common enterprise and whether or not that debt should be included or combined with other partnership joint ventures or other associations.

The Department is specifically asking for volunteers to review the state's legal lending limit, from agricultural banks, commercial banks, and banks involved with leasing. The Department will be working with NDBA and ICBND on this project. If you are interested in sitting on the Task Force, please contact Assistant Commissioner Entringer or Commissioner Karsky.

## **DEFERRED PRESENTMENT SERVICE PROVIDERS**

The 57th Legislative Assembly enacted Chapter 13-08 of the North Dakota Century Code entitled Deferred Presentment Service Providers, also known as payday lenders. Chapter 13-08 gives the Department of Financial Institutions the responsibility to regulate and examine this industry. In order to do so, the Department was granted a new part time Consumer Licensing Investigator/Examiner position.

As of the writing of this Newsletter, the Department has issued 51 licenses for Deferred Presentment Service Providers. These licensees will offer short term financing to consumers of North Dakota. Normally the consumer writes a post-dated check to the licensee, which will either then be cashed at maturity or renewed for an additional fee. The Legislature gave the Department authority to promulgate rules and regulations. The Department has promulgated an interim rule which is in effect for 180 days. The Department has held a hearing concerning the interim rule and is now waiting for the last comment period to expire. The rule will guide lenders on how transactions will be performed concerning renewals, extensions, and disclosure statements. Anyone wanting additional information concerning the Deferred Presentment Service Providers can download the application, laws, and rules and regulations from the Department's website.

## **MEIDINGER ACCEPTS NEW POSITION**

Greg P. Meidinger accepted the position as Consumer Licensing Investigator/Examiner on August 30, 2001. Greg is a former Financial Institutions Examiner in the Bismarck Field Office, and a 2000 Graduate of Minot State University.

Greg will handle the entire consumer division, which includes money brokers, collection agencies, consumer finance companies, deferred presentment service providers, and sale of checks. He will also review and investigate all consumer complaints and handle the examination of the consumer finance companies and deferred presentment service providers. Currently, the Department licenses approximately 600 entities in the consumer division.

## DEPARTMENT OF FINANCIAL INSTITUTIONS STAFF

Timothy J. Karsky .....	Commissioner.....	328-9933
Robert J. Entringer .....	Assistant Commissioner .....	328-9936
Vacant.....	Chief Examiner - Banks.....	328-9933
James M. Laidlaw .....	Chief Examiner - Credit Unions .....	328-9933
Lori L. Laschkewitsch .....	Business Manager.....	328-9933
Greg Meidinger.....	Consumer Licensing Investigator/Examiner .....	328-9933
Wayne Hatzenbuehler .....	Credit Union Examiner .....	328-9933
Suzette Richardson .....	Administrative Assistant (Bank/Credit Union).....	328-9933
Lisa Fischer .....	Administrative Assistant (Licensing/Consumer) .....	328-9934
Scott Miller.....	Assistant Attorney General.....	328-2100

### Bismarck Examination Crew

Doug Grenz, Supervising Examiner  
Monte Wolf, FI Examiner II  
Dawn Murphy, FI Examiner I  
Mitzi Bjorland, FI Examiner I

### Fargo Examination Crew

Dave Lessard, Supervising Examiner  
Joe Banister, FI Examiner III  
Mike George, FI Examiner III  
Vacant, FI Examiner

### Minot Examination Crew

Doug Grenz, Supervising Examiner  
Craig Marsh, FI Examiner III  
Bob Herrington, FI Examiner II  
Troy Potter, FI Examiner I

### Grand Forks Examination Crew

Doug Hoselton, Supervising Examiner  
Mike Aschauer, FI Examiner I  
Tom Metelmann, FI Examiner I

## STATE BANKING BOARD

Dee Ann Baertsch .....	First State Bank of Golvea.....	Golvea .....	872-3656
Ronald Braseth.....	The Goose River Bank .....	Mayville .....	786-3110
Bill Daniel.....	Public Member.....	Bismarck .....	223-8488
Launa Moldenhauer.....	Kirkwood Bank & Trust Co. ....	Bismarck.....	258-6550
Gary Petersen .....	Lakeside State Bank.....	New Town .....	627-4717
Terry Zeltinger .....	United Community Bank of ND.....	Minot .....	839-3500

## STATE CREDIT UNION BOARD

Charles Gates .....	Director - Area Community CU .....	Grand Forks .....	772-5029
Judy Millar .....	Public Member.....	West Fargo.....	282-4692
Ervin Mund .....	St. Alexius Medical Center CU.....	Bismarck.....	530-7189
Steven Tonneson .....	Prairie Federal CU .....	Minot .....	837-5353

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